

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE		PAGE OF PAGES 1 2	
2. AMENDMENT/MODIFICATION NO. 0094		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.	
5. PROJECT NO. (If applicable)		6. ISSUED BY Office of River Protection U.S. Department of Energy Office of River Protection P.O. Box 450 Richland WA 99352		7. ADMINISTERED BY (If other than Item 6) Office of River Protection U.S. Department of Energy Office of River Protection P.O. Box 450 Richland WA 99352	
CODE 00603		CODE 00603			
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) ADVANCED TECHNOLOGIES AND LABORATORIES (ATL) Attn: JOU HWANG 555 QUINCE ORCHARD ROAD, SUITE 500 GAITHERSBURG MD 208781437		(X)		9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
		X		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC27-10RV15051	
				10B. DATED (SEE ITEM 13) 11/20/2009	
CODE 827013467		FACILITY CODE			

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

**12. ACCOUNTING AND APPROPRIATION DATA (If required)**

See Schedule

**13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)
X	DEAR 970.5204-2 Laws, Regulations, and DOE Directives (DEC 2000)


**E. IMPORTANT:** Contractor ☒ is not, ☐ is required to sign this document and return \_\_\_\_\_ 0 copies to the issuing office.

**14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**

The purpose of this modification is to revise Section H, Special Contract Requirements, and Section J, List of Attachments, Attachment 1, DOE Directives Applicable to the 222-S Lab at no additional cost to the Government.

Period of Performance: 01/03/2010 to 01/03/2015

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Susan C. Johnson	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED 9/27/13

**14. Description of Amendment/Modification Continued:**

The following changes are hereby incorporated into the contract:

1. Section H.17, Employee Compensation: Pay and Benefits, is revised to incorporate language removed from the Contractor Requirements Document (CRD) in the U.S. Department of Energy (DOE), Order (O) 350.1, Chg.3, *Contractor Human Resource Management Programs*.
2. Section H.24, Workers' Compensation, is revised to incorporate language removed from the CRD in the DOE O 350.1, Chg.3, *Contractor Human Resource Management Programs*.
3. Update Section J, Attachment 1, DOE Directives Applicable to the 222-S Lab, in accordance with DEAR 970.5204-2 Laws, Regulations, and DOE Directives (DEC 2000), to update DOE O 350.1, Chg.3, CRD, *Contractor Human Resource Management Programs* to DOE O 350.1, Chg.4, *Contractor Human Resource Management Programs*. The change is as follows:

**FROM:**

DOE O 243.2 CRD	Vital Records
DOE O 350.1, Change 3, CRD*	Contractor Human Resource Management Programs  *Exclude all of 5(b) paragraph found in Attachment for Chapter 4, on Page IV.
DOE O 413.1B CRD	Internal Control Program

**TO:**

DOE O 243.2 CRD	Vital Records
DOE O 350.1, Change 4	Contractor Human Resource Management Programs
DOE O 413.1B CRD	Internal Control Program

4. All other terms and conditions remain unchanged.

**Attachment**  
**DE-AC27-10RV15051**  
**MODIFICATION 094**

**Replacement Pages**

**(Total: 23, including this Cover Page)**

- Section H, Special Contract Requirements, Pages i and ii
- H.17, Employee Compensation: Pay and Benefits, Pages H-8 thru H-23
- H.24, Workers' Compensation, Pages H-27 thru H-29
- Section J, Attachment 1, DOE Directives Applicable to the 222-S Lab, Page J-3

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Appendix F. If the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved, the parent(s) or all member organizations shall assume joint and several liability for the performance of the contract. In the event any of the signatories to the Performance Guarantee Agreement enters into proceedings related to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the CO.

## **H.16 WORKFORCE TRANSITION**

### **(a) Incumbent Employees Hiring Preferences**

The Contractor shall use the Transition Period to make hiring decisions and to establish the management structures necessary to conduct an employee relations program. In establishing an initial workforce, and through the first three (3) months after Contract award, the Contractor shall give a first preference in hiring for vacancies in non-managerial positions under this Contract to Incumbent Employees (as defined in paragraph (b) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*) who meet the qualifications for a particular position. This hiring preference takes priority over the hiring preference provided in the Section I Clause entitled, *DEAR 952.226-74, Displaced Employee Hiring Preference*. The hiring preference does not apply to the Contractor's hiring of management staff (i.e., first line supervisors and above).

### **(b) Employee Pay**

The Contractor shall provide equivalent pay to employees receiving a hiring preference as compared to pay provided by the predecessor contractor for substantially equivalent duties and responsibilities for at least the first year of the term of the Contract.

## **H.17 EMPLOYEE COMPENSATION: PAY AND BENEFITS**

### **(a) Background on Benefit Plans**

- (1) The Hanford Site Pension Plan (HSPP) is a multi-employer pension plan which includes three (3) separate benefit structures under the Plan: two (2) for bargaining unit employees and one (1) for non-bargaining unit employees (exempt and nonexempt). The HSPP covers eligible employees of certain U.S. Department of Energy (DOE) Hanford prime contractors and subcontractors. The HSPP is managed and administered by committees composed of representatives from each of the sponsoring employers.



- (2) The Hanford Site Savings Plans (HSSPs) cover eligible employees of certain DOE Hanford prime contractors and subcontractors. The HSSPs includes three (3) separate plans: two (2) plans for bargaining unit employees and one (1) plan for non-bargaining unit employees (exempt and nonexempt). The HSSPs are managed and administered by committees composed of representatives from each of the sponsoring employers.
  - (3) The Hanford Employee Welfare Trust (HEWT) is a multiple employer welfare arrangement (MEWA). Health and welfare benefits are administered under the HEWT which contains provisions for a wide range of medical and insurance benefits for eligible Hanford workers of certain DOE Hanford prime contractors and subcontractors and their beneficiaries. The HEWT is managed and administered by the HEWT Committee, which is composed of representatives from each sponsoring employer.
  - (4) The Contractor is required in paragraph (m) to offer a market-based package of retirement and medical benefits to Non-Incumbent Employees (as defined in paragraph (c)). These benefit plans are referred to herein as "Market-Based Plans."
  - (5) The HSPP, HSSP and HEWT are collectively referred to herein as the "Plans" for purposes of the Section H Clauses entitled, Employee Compensation: Pay and Benefits, Post-Contract Responsibilities for Pension and Other Benefit Plans, and Incumbent Employees, Benefit Plans, and Approval for Subcontractors to Participate in the Plans.
- (b) Incumbent Employees for the purposes of this Contract  
Based on prior employment and the terms of the HSPP, Incumbent Employees are those employees eligible to participate, or to return to and participate, in the HSPP and accrue Benefit Service as defined in the HSPP.
- (c) Non-Incumbent Employees  
  
If an employee does not meet the definition of an Incumbent Employee with respect to the HSPP as described in paragraph (b), the employee will be considered a Non-Incumbent Employee for the purposes of this Contract.
- (d) Human Resources Compensation Plan  
  
The Contractor shall submit within 30 days of Contract award a *Human Resources Compensation Plan* demonstrating how the Contractor will comply with the requirements of this Contract. The *Human Resources*

*Compensation Plan* shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

(e) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system including a compensation system *Self-Assessment Plan* consistent with FAR 31.205-6 and DEAR 970.3102-05-6, *Compensation for Personal Services* ("Total Compensation System"). DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall meet the tests of allowability established by and in accordance with FAR 31.205-6 and DEAR 970.3102-05-6, be fully documented, consistently applied, and acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be consistent with the Contractor's documented *Human Resources Compensation Plan* as approved by the Contracting Officer.

(f) Appraisals of Contractor Performance

DOE will conduct periodic appraisals of Contractor performance with respect to Total Compensation System implementation. Such appraisals will be conducted through either DOE validation of the Contractor's performance self-assessment of its Total Compensation System or third party expert review.

(g) Reports and Information

The Contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:

- (1) *An Annual Contractor Salary-Wage Increase Expenditure Report* to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts.
- (2) A list of the top five (5) most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation.
- (3) *An Annual Report of Contractor Expenditures for Employee*



*Supplemental Compensation* through iBenefits or its successor system no later than March 1 of each year.

- (4) A performance self-assessment of the Total Compensation System implementation and results to include an evaluation of total benefits using the Employee Benefits Value Study (Ben-Val) and the Employee Benefits Cost Study as described in paragraph (i).

(h) Cash Compensation

- (1) The Contractor shall establish pay programs for employees.
- (2) The Contractor shall submit the following information to the Contracting Officer for determination of cost allowability for reimbursement for cash compensation under the Contract:
  - (i) Any additional compensation system self-assessment data requested by the Contracting Officer that may be needed to validate and approve the Total Compensation System.
  - (ii) Any proposed major compensation program design changes prior to implementation.
  - (iii) An *Annual Compensation Increase Plan* (CIP).
  - (iv) Individual compensation actions for the top contractor official (e.g., laboratory director/plant manager or equivalent and key personnel not included in the CIP). For those key personnel included in the CIP, DOE will approve salaries upon the initial contract award and when key personnel are replaced during the life of the contract. DOE will have access to all individual salary reimbursements. This access is provided for transparency; DOE will not approve individual salary actions (except as previously indicated).

The Contracting Officer's approval of individual compensation actions will be required only for the top contractor official (e.g., laboratory director/plant manager or equivalent) and key personnel as indicated in the above paragraph. The base salary reimbursement level for the top contractor official establishes the maximum allowable salary reimbursement under the contract. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviation must be approved by the Contracting Officer.

- (v) Any proposed establishment of an incentive compensation plan (variable pay plan/pay-at-risk).
- (3) Subject to the Hanford Site Severance Pay Plans, severance pay is not payable to an employee under this Contract if the employee:
  - (i) Voluntarily separates, resigns or retires from employment,
  - (ii) Is offered comparable employment with a successor/replacement contractor,
  - (iii) Is offered comparable employment with a parent or affiliated company, or
  - (iv) Is discharged for cause.
- (4) Service credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost reimbursement contract.
- (i) Pension and Other Benefit Programs
  - (1) The Contractor shall become a sponsor of the pension and other benefit plans identified in paragraph (a), and shall be responsible for the management and administration of the Market-Based Plans identified in paragraphs (a)(4).
  - (2) Unless otherwise required by applicable law or approved by the Contracting Officer, no implementation of a benefit program and no amendment to any of the plans identified in paragraph (a) or underlying trust documents thereto shall result in allowable costs under this Contract.
  - (3) No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans identified in paragraph (a) until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.
  - (4) Cost reimbursement for pension and other benefit plans identified in paragraph (a) sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved Ben-Val and an Employee Benefits Cost Study as described below.

- (5) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in (i) and (ii) below. The studies shall be used by the Contractor in calculating the cost of benefits under existing benefit plans. An Employee Benefits Value (Ben-Val) Study Method using no less than 15 comparator organizations and an Employee Benefits Cost Survey comparison Method shall be used in this evaluation to establish an appropriate comparison method. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan.
- (i) Separate Ben-Val studies are required every two years for all plans identified in paragraph (a). A Ben-Val is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor measured against the RV of benefit programs offered by comparator companies approved by the Contracting Officer. To the extent that the value studies do not address post retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for the post retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources; and,
  - (ii) Separate Employee Benefits Cost Study comparisons are annually required for all plans identified in paragraph (a). An Employee Benefits Cost Study is a study which analyzes the Contractor's employee benefits cost on a per capita per full time equivalent employee basis and as a percent of payroll and compares them with the costs reported by the U.S. Chamber of Commerce Annual Employee Benefits Cost Survey or other Contracting Officer approved, broad based, national survey.
- (6) When net benefit value exceeds the comparator group by more than five (5) percent (%), the Contractor shall submit a corrective action plan to the Contracting Officer for approval, unless waived by the Contracting Officer.
- (7) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than 5 %, and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting

Officer directed per capita cost range or total benefit cost as a percent of payroll.

- (8) Within two (2) years of approval of the Contractor's corrective action plan by the Contracting Officer, the Contractor shall implement corrective action plans to align employee benefit programs with the benefit value and per capita cost range as approved by the Contracting Officer.
- (9) The Contractor may not terminate any benefit plan during the term of the Contract without prior approval of the Contracting Officer in writing.
- (10) Cost reimbursement for Post Retirement Benefits (PRBs) is contingent on the specific terms of the plans identified in paragraph (a), as amended. Unless required by Federal or State law, advance funding of PRBs is not allowable.
- (11) All costs of administration shall be costs of each plan individually and allocated to participating plan sponsors. Costs of administration shall be directly billed to the plans and not charged by indirect allocation.
- (12) The Contractor shall maintain a sufficient number of trained and qualified personnel to perform all of the functions of the plans.
- (13) The Contractor shall render all ordinary and normal administrative services and functions which may be reasonably required. The Contractor shall annually provide an itemization of costs incurred for plan administration for each plan to the Contracting Officer within 60 days of the end of each plan year.
- (14) The Contractor shall manage Plan assets in a prudent manner. The Contractor shall develop and submit to the Contracting Officer an Investment Policy Statement for each plan that clearly defines investment return objectives and risk tolerances, and shall perform annual pension plan Investment Performance Self-Assessments. The Contractor performance self-assessments shall address investment objectives, development of the plans to achieve investment objectives, execution of the plans, performance monitoring, and appropriate corrective action planning and execution. The Contractor shall provide the Contracting Officer with a copy of each plan's Investment Performance Self-Assessment.
- (15) The Contractor shall comply with the Investment Policy Statements developed for the plans. Should the Contractor incur higher costs

because the Contractor fails to comply with all or part of the established Investment Policy Statements provided to DOE, the additional costs incurred are unallowable.

- (16) Each contractor sponsoring a pension and/or postretirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan and participating in a conference call to discuss the contractor submission (see (j)(8) below for Pension Management Plan requirements).
  - (17) Each contractor will respond to quarterly data calls issued through iBenefits, or its successor system.
  - (18) Contractors shall submit new benefit plans and changes to plan design or funding methodology with justification to the Contracting Officer for approval. The justification must:
    - (i) demonstrate the effect of the plan changes on the contract net benefit value or per capita benefit costs,
    - (ii) provide the dollar estimate of savings or costs, and
    - (iii) provide the basis of determining the estimated savings or cost.
- (j) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs
- (1) The Contractor shall comply with the requirements of ERISA if applicable to the pension plan and any other applicable laws.
  - (2) Employees working for the Contractor shall only accrue credit for service under this Contract after the date of Contract award.
  - (3) Any pension plan maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for current service not previously paid through a DOE cost reimbursement contract.
  - (4) The following reports shall be submitted to DOE as soon as possible after the last day of the plan year by the contractor responsible for each designated pension plan funded by DOE but no later than the dates specified below:



- (i) Actuarial Valuation Reports. The annual actuarial valuation report for each DOE-reimbursed pension plan and when a pension plan is commingled, the contractor shall submit separate reports for DOE's portion and the plan total by the due date for filing IRS Form 5500.
  - (ii) Forms 5500. Copies of IRS Forms 5500 with Schedules for each DOE-funded pension plan, no later than that submitted to the IRS.
  - (iii) Forms 5300. Copies of all forms in the 5300 series submitted to the IRS that document the establishment, amendment, termination, spin-off, or merger of a plan submitted to the IRS.
- (5) At least sixty (60) days prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.
  - (i) For proposed changes to pension plans and pension plan funding, the Contractor shall provide the following to the Contracting Officer:
    - (A) a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout;
    - (B) an analysis of the impact of any proposed changes on actuarial accrued liabilities and costs;
    - (C) except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans;
    - (D) the Summary Plan Description; and,
    - (E) any such additional information as requested by the Contracting Officer..
- (6) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.



- (7) Each contractor pension plan shall be subjected to a limited-scope audit annually that satisfies the requirements of ERISA section 103, except that every third year the contractor must conduct a full-scope audit satisfying ERISA section 103. Alternatively, the contractor may conduct a full-scope audit satisfying ERISA section 103 annually. In all cases, the Contractor must submit the audit results to the contracting officer. In years in which a limited scope audit is conducted, the contractor must provide the contracting officer with a copy of the qualified trustee or custodian's certification regarding the investment information that provides the basis for the plan sponsor to satisfy reporting requirements under ERISA section 104.
- (8) The Pension Management Plan shall include the following:
  - (i) A Pension Management Plan (PMP) discussing the Contractor's plans for management and administration of all pension plans consistent with the terms of this contract. The PMP shall be updated and submitted to the Contracting Officer in draft annually no later than 45 days after the last day of the Plan year along with its draft actuarial valuation.
  - (ii) Within thirty (30) days after the date of the submission, appropriate Contractor representatives shall meet with the Contracting Officer to discuss the Contractor's proposed draft annual update of the PMP to specifically discuss any anticipated changes in the projected pension contributions from the prior year's contributions and any discrepancies between the actual contributions made for the most recent year preceding that meeting and the projected contributions for that year which the Contractor had submitted to the Contracting Officer the prior year. The annual revision of the PMP shall include:
    - (A) The Contractor's best projection of the contributions which it will be legally obligated to make to the pension plan(s), beginning with the required contributions for the coming fiscal year, based on the latest actuarial valuation, and continuing for the following four years. This estimate will be based upon compliance with all applicable legal requirements relating to the determination of contributions and upon the assumptions set out in the plan document(s).
    - (B) If the actuarial valuation submitted pursuant to the annual PMP update indicates that the sponsor of the pension plan must impose pension plan benefit restrictions, the Contractor shall provide the following information:

- (aa) The type of benefit restriction that will take place,
  - (bb) The number of Contractor employees that potentially could be impacted and the nature of the restriction (e.g., financial impact) by imposition of the required benefit restriction, and
  - (cc) The amount of money that would need to be contributed to the pension plan to avoid legally required benefit restrictions.
- (C) A detailed discussion of how the Contractor intends to manage the pension plan(s) to maximize the contribution predictability (i.e. forecasting accuracy) and contain current and future costs, to include rationale for selection of all plan assumptions that determine the required contributions and which impact the level and predictability of required contributions. The Contractor is required to annually establish a long term (e.g. five year) plan that outlines the projected retirement plan costs, and any planned action steps to be taken to better manage predictability. The contractor must also share the following information with the Department during the meeting:
- (aa) Strategy for achieving and maintaining fully-funded status of the plan(s).
  - (bb) Investment policy statement for the plan, with any recent updates.
  - (cc) Results of recent asset liability studies (required to be performed every 3 years or after a significant event) including rationale for maintaining current asset allocation strategy.
  - (dd) Comparison of budget projections submitted to the Department to actual contributions.
  - (ee) Any recent reports, findings, or recommendations provided by plan's investment consultant.
  - (ff) Actuarial experience studies to set the plan's actuarial assumptions (required to be performed every 3-5 years).

- (D) An assessment to evaluate the effectiveness of the Contractor's pension plan(s) investment management/results. The assessment shall include at a minimum: a review and analysis of pension plan investment objectives; the strategies employed to achieve those objectives; the methods used to monitor execution of those strategies and the achievement of the investment objectives; and a comparative analysis of the objectives and performance of other comparable pension plans. The Contractor shall also identify its plans, if any, for revising any aspect of its pension plan management based on the results of the review.
- (9) Reimbursement of Contractors for Contributions to Defined Benefit Pension Plans
- (i) Contractors that sponsor single employer or multiple employer defined benefit pension plans will be reimbursed for the annual required minimum contributions under the Employee Retirement Income Security Act (ERISA), as amended by the Pension Protection Act (PPA) of 2006. Reimbursement above the annual minimum required contribution will require prior approval of the Contracting Officer. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances.
  - (ii) Contractors that sponsor multi-employer DB pension plans will be reimbursed for pension contributions in the amounts necessary to ensure that the plans are funded to meet the annual minimum requirement under ERISA, as amended by the PPA. However, reimbursement for pension contributions above the annual minimum contribution required under ERISA, as amended by the PPA, will require prior approval of the Contracting Officer and will be considered on a case by case basis. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances.
- (10) Terminating Operations
- When operations at a designated DOE facility are terminated and no further work is to occur under the prime contract, the following apply:
- (i) No further benefits for service shall accrue.

- (ii) The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE contract.
- (iii) The Contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.
- (iv) Assets shall be determined using the "accrual-basis market value" on the date of termination of operations.
- (v) DOE and the Contractor(s) shall establish an effective date for spinoff or plan termination. On the same day as the contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(11) Terminating Plans

- (i) DOE contractors shall not terminate any pension plan (Commingled or site specific) without requesting Departmental approval at least 60 days prior to the scheduled date of plan termination.
- (ii) To the extent possible, the contractor shall satisfy plan liabilities to plan participants by the purchase of annuities through competitive bidding on the open annuity market or lump sum payouts. The contractor shall apply the assumptions and procedures of the Pension Benefit Guaranty Corporation.
- (iii) Funds to be paid or transferred to any party as a result of settlements relating to pension plan termination or reassignment shall accrue interest from the effective date of termination or reassignment until the date of payment or transfer.
- (iv) If ERISA or IRC rules prevent a full transfer of excess DOE reimbursed assets from the terminated plan, the contractor shall pay any deficiency directly to DOE according to a schedule of payments to be negotiated by the parties.
- (v) On or before the same day as the contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability

matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

- (vi) DOE liability to a Commingled pension plan shall not exceed that portion which corresponds to DOE contract service. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.
- (vii) After all liabilities of the plan are satisfied, the contractor shall return to DOE an amount equaling the asset reversion from the plan termination and any earnings which accrue on that amount because of a delay in the payment to DOE. Such amount and such earnings shall be subject to DOE audit. To affect the purposes of this paragraph, DOE and the contractor may stipulate to a schedule of payments.

(k) Benefits for Incumbent Employees under the HSPP and HSSP

(1) HSPP

- (i) The Contractor shall allow individuals who are Incumbent Employees to accrue credit under the HSPP for service under this Contract. The Contractor shall timely supply the Plan Administrator(s) with the information required by the Administrator(s) necessary to effectively administer the Plan(s). Contributions to the HSPP as determined by the Plan Administrator shall be allowable costs under this Contract, subject to compliance with other provisions of this Contract and terms of the Plans, as amended. At Contract completion, the Contractor shall fully fund its withdrawal liability under the HSPP; provided, however, that when or if this Contract expires or terminates, the Contractor shall continue as a plan sponsor of the HSPP pursuant to the Section H Clause entitled, *Post-Contract Responsibilities for Pension and Other Benefit Plans*.
- (ii) The Contractor shall coordinate with the HSPP Administrator to ensure DOE receives an annual reporting and accounting of the Contractor's pension obligations, pursuant to Financial Accounting Standard (FAS) 87, for those employees participating in the HSPP and supply the Administrator with all the information necessary to maintain the Federal tax qualifications of all Contractor and Hanford Site pension plans.



allowability and reasonableness established by FAR 31.205-6 and DEAR 970.3102-05-6.

#### **H.18 POST-CONTRACT RESPONSIBILITIES FOR PENSION AND OTHER BENEFIT PLANS**

- (a) If this Contract expires or terminates and the U.S. Department of Energy (DOE) has awarded a contract under which the new contractor becomes a sponsor of the Hanford Site Pension Plan (HSPP), Hanford Site Savings Plan (HSSP), Hanford Employee Welfare Trust (HEWT), and Market-Based Plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this contract, and becomes responsible for management, and administration of the Market-Based Plans, the Contractor shall cooperate and transfer to the new contractor its responsibility for sponsorship, management and administration of the plans as appropriate and consistent with direction from the Contracting Officer.
- (b) If this Contract expires or terminates without a contract with a new contractor under which the new contractor becomes a sponsor of the HSPP, HSSP, HEWT, and Market-Based Plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract and becomes responsible for management and administration of the Market-Based Plans, or if the Contracting Officer determines that the scope of work under the Contract has been completed (any one such event may be deemed by the Contracting Officer to be "Contract Completion" for purposes of this clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of this Contract, the following actions shall occur regarding the Contractor's obligations regarding all of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract at the time of Contract Completion:
  - (1) Subject to subparagraph (2) below, and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and administration of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, the Contractor shall remain the sponsor of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, in accordance with applicable legal requirements.
  - (2) The parties shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the plans as defined in paragraph (a) of the



**H.24 WORKERS' COMPENSATION**

The Hanford Workers' Compensation Program is an administrative function that provides for the support of the Hanford Site Workers' Compensation Program under U.S. Department of Energy (DOE) State of Washington Self-Insurance. Pursuant to State of Washington Revised Code (RCW) Title 51, DOE is a group self-insurer for purposes of workers' compensation coverage. Notwithstanding any other provision in this Contract, the coverage afforded by the workers' compensation statutes shall, for performance of work under this Contract at the Hanford Site, be subject to the following:

- (a) Under the terms of a Memorandum of Understanding with the Washington State Department of Labor and Industries (L&I), DOE has agreed to perform all functions required by self-insurers in the State of Washington.
- (b) The Contractor shall take such action, and only such action, as DOE requests in connection with any accident reports, including assistance in the investigation and disposition of any claims thereunder and, subject to the direction and control of DOE, the conduct of litigation in the Contractor's own name in connection therewith.
- (c) Under RCW Title 51.32.073, DOE is the self-insurer and is responsible for making quarterly payments to the L&I. In support of this arrangement, the Contractor shall be responsible for withholding appropriate employee contributions and forwarding these contributions on a timely basis, plus the employer-matching amount to DOE.
- (d) The workers' compensation program shall operate in partnership with Contractor employee benefits, risk management, and environmental, safety, and health management programs. The Contractor shall cooperate with DOE for the management and administration of the DOE-RL self-insurance program.
- (e) The Contractor shall be responsible for all predecessor Contractor claims that fall under DOE's self-insurance. The Contractor shall maintain and retain all claim data for information and reporting needs.
- (f) The Contractor shall certify as to the accuracy of the payroll record used by DOE in establishing the self-insurance claims reserves and cooperate with any state audit.
- (g) The Contractor shall provide statutory workers' compensation coverage for staff members performing work under this Contract outside of the State of Washington and not otherwise covered by the State of Washington workers' compensation laws.

- (h) Time-loss compensation shall be paid to injured workers in accordance with the RCW § 51.08.178 and other applicable requirements. Compensation paid to workers in excess of the amounts required by statute are unallowable costs under this contract.
- (i) Workers compensation loss income benefit payments, when supplemented by other programs (such as salary continuation, short-term disability) are to be administered so that total benefit payments from all sources shall not exceed 100 percent of the employee's net pay.
- (j) Upon request, the Contractor shall submit to DOE, or other party as designated by DOE, payroll records as required by Washington State Workers' Compensation laws.
- (k) Upon request, the Contractor shall submit to DOE, or other party as designated by DOE, the accident reports required by RCW Title 51, Section 51.28.010, or any other documentation requested by DOE pursuant to the Washington State Workers' Compensation laws.
- (l) Upon request, the Contractor shall submit to the Contracting Officer an evaluation and analysis of workers' compensation cost as a percent of payroll compared with the percentage of payroll cost reported by a nationally recognized Cost of Risk Survey that has been pre-approved by DOE.
- (m) The Contractor shall ensure all employees receive training and have a clear understanding of the workers' compensation process.
- (n) The Contractor shall develop and maintain a web site with Workers Compensation information and ensure that the web site is made available to employees within 45 days of the close of Transition.
- (o) The Contractor shall provide additional training to claimants on the workers' compensation process when a claim is filed. This training shall include but is not limited to information regarding company contacts, approvals needed for appointments, time off, documentation requirements, etc.
- (p) The Contractor shall submit ad hoc reports and other information as required by DOE.
- (q) The Contractor shall provide briefings to DOE as requested.
- (r) For purposes of workers' compensation, all entities included in the Contractor team arrangement, as defined below, shall be covered by DOE's self-insurance certification under Washington State Department of Labor and Industries for workers' compensation:

- (1) Contractor team arrangement means an arrangement in which –
  - (i) Two or more companies form a partnership or joint venture to act as a potential prime Contractor; or
  - (ii) A potential prime Contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program.
- (2) Any changes to the Contractor team arrangement for purposes of workers' compensation coverage shall be subject to the prior approval of the Contracting Officer.
- (s) Subcontractors not meeting the Contractor teaming arrangement definition performing work under this Contract on behalf of the Contractor are not covered by the provision of the Memorandum of Understanding referenced above.
- (t) The Contractor shall flow-down to its subcontractors the requirements to provide statutory workers compensation coverage for the subcontractors' employees. The Contractor shall have no responsibility for subcontractor workers' compensation when it includes this requirement in the sub-contract(s).

#### **H. 25 ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM ACT (EEOICPA)**

The Contractor shall provide support of the EEOICPA established under Title XXXVI of the *National Defense Authorization Act of 2001* (Public Law 106-398). The Contractor shall provide records in accordance with the Section I Clause entitled, *DEAR 970.5204-3, Access to and Ownership of Records* in support of EEOICPA claims and the claim process under the EEOICPA.

The Contractor shall:

- (a) Verify employment and provide other records which contain pertinent information for compensation under the EEOICPA. The Contractor shall provide this support for itself and any named subcontractors' employees.
- (b) Provide reports as directed by the U.S. Department of Energy (DOE), such as costs associated with EEOICPA.
- (c) Provide an EEOICPA point-of-contact; this employee shall attend meetings, as requested by the U.S. Department of Energy Richland Operations Office (DOE-RL).

Order Number/Changes	Title
DOE O 151.1C CRD	Comprehensive Emergency Management System Attachment 2, CRD <ul style="list-style-type: none"> <li>· Item 2</li> <li>· Item 5</li> <li>· Item 6</li> <li>· Item 7</li> <li>· Item 9</li> <li>· Item 10</li> <li>· Item 11</li> <li>· Item 13</li> <li>· Item 14</li> <li>· Item 15</li> </ul>
DOE O 200.1A CRD	Information Technology Management
DOE O 205.1A CRD	Department of Energy Cyber Security Management
DOE O 206.1 CRD	Department of Energy Privacy Program
DOE O 206.2, CRD	Identity, Credential, and Access Management (ICAM)
DOE N 206.5	Response and Notification Procedures for Data Breaches Involving Personally Identifiable Information
DOE O 210.2A CRD	DOE Corporate Operating Experience Program
DOE O 221.1A CRD	Reporting Fraud, Waste, and Abuse to the Office of Inspector General
DOE O 221.2A CRD	Cooperation with the Office of Inspector General
DOE O 225.1B, CRD	Accident Investigations
DOE O 226.1B	Implementation of DOE Oversight Policy
DOE O 231.1B, Change 1, CRD	Environment, Safety, and Health Reporting Attachment 1, Step 2a Attachment 3, Steps 1 and 2
DOE O 232.2, CRD	Occurrence Reporting and Processing of Operations Information
DOE O 241.1B, CRD	Scientific and Technical Information Management
DOE O 243.1A, CRD	Records Management Program
DOE O 243.2 CRD	Vital Records
DOE O 350.1, Change 4,	Contractor Human Resource Management Programs
DOE O 413.1B CRD	Internal Control Program
DOE O 414.1C, CRD	Quality Assurance
DOE O 422.1, CRD	Conduct of Operations
DOE O 426.2, CRD	Personnel Selection, Training, Qualification and Certification Requirements for DOE Nuclear Facilities
DOE O 435.1, Change 1, CRD	Radioactive Waste Management